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COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Investigation by the Department on its Own Motion as to)
to the Propriety of the Terms and Charges Set Forth in)
Proposed Revisions to M.D.T.E. Tariff No. 17, filed by)
New England Telephone and Telegraph Company, d/b/a) D.T.E. 98-57 (Phase III)
Bell Atlantic-Massachusetts on May 5, 2000, regarding)
Digital Subscriber Line Services and Line Sharing)
_____)

REPLY COMMENTS OF BELL ATLANTIC-MASSACHUSETTS

Bell Atlantic-Massachusetts ("BA-MA") files this response to other parties' comments regarding BA-MA's May 5, 2000, tariff filing for unbundled Digital Subscriber Line ("xDSL") qualified loops and ancillary services and unbundled Line Sharing network elements. The Department should allow the proposed tariff to go into effect as filed on June 4, 2000 (with line sharing provisions to be implemented on June 6, 2000) and conduct an investigation of the filing, in accordance with the proposed expedited schedule contained in Exhibit I.

DISCUSSION

Contrary to some parties' claims, BA-MA's proposed tariff fully complies with BA-MA's obligations under the Telecommunications Act of 1996 and the requirements established by the Federal Communications Commission ("FCC") in its orders in CC Docket Nos. 98-147 and 96-68 involving xDSL technology and line sharing. However, the parties' comments raise a number of issues that clearly will require an evidentiary record in order for the Department to resolve the differences between their positions and those of BA-MA regarding applicable rates, costs, and terms and conditions.

BA-MA is not opposed to the Department conducting a thorough inquiry, as it has in the other Phases of this case, which includes the filing of testimony, discovery, hearings, the examination of witnesses, and final briefs. Indeed, it seems clear that the Department could not decide the range of complex issues raised on the basis of only written comments. What is important for both BA-MA and its customers, i.e., the competitive local exchange carriers ("CLECs"), is that the Department proceed expeditiously with its investigation so that the final terms of the offerings are known. For this reason, BA-MA urges that the Department adopt the aggressive schedule attached to these comments as Exhibit I.

While that investigation is pending, there is no reason why the tariff should not be placed into effect subject to the Department's final determinations. If the tariff is allowed to become effective immediately, those carriers that wish to obtain xDSL loops and the line-sharing arrangements under those tariff terms may do so, and no

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carrier is prejudiced by the immediate approval. Once the Department issues its final ruling, the tariff will be revised, if necessary, to reflect the Department's ruling. This is a reasonable approach that fully protects all parties' rights and yet enables CLECs immediately to obtain the services during the pendency of the Department investigation.

To the extent that the Department modifies any terms of the offerings following a thorough investigation, these can be addressed prospectively. Moreover, BA-MA would be willing, in this particular case, to true-up any resultant decreases or increases in rates. This is consistent with interim agreements entered into between BA-MA and some CLECs.

AT&T and the CLEC Alliance contend that if the tariff is allowed to go into effect, the proposed rates for xDSL and line sharing should be drastically reduced, i.e., by about 70 percent. They base their recommendation on action taken by the New York Public Service Commission ("NYPSC") on rates initially proposed by Bell Atlantic-New York ("BA-NY") for comparable services. Their claim is without merit.

First, the Department has no basis at this time to rule specifically on the reasonableness of any rates other than those proposed by BA-MA. The costs developed to support BA-MA's xDSL and line sharing rates in Massachusetts are in accordance with accepted costing methodologies. Until the Department conducts its investigation, there is no record for adopting any other rates.

Second, AT&T and the CLEC Alliance claim that BA-MA's proposed rates are inflated based on certain DSL charges that were reduced by the NYPSC in Case No. 98-C-1357, Opinion No. 99-12, issued December 17, 1999. That argument is unfounded because those specific charges would not be applicable to the majority of line-sharing arrangements. In addition, those rates cited by AT&T and the CLEC Alliance are interim in nature since the NYPSC is currently reviewing new BA-NY rates and updated cost studies filed in February 2000. Those revised BA-NY rates are significantly higher than the rates adopted by the NYPSC. The NYPSC's decision concerning this BA-NY filing will establish the permanent rates for New York.

BA-MA's rate proposals here are consistent with the rates that are presently under review in New York and are supported by Massachusetts cost studies. AT&T and the CLEC Alliance's suggestion that New York rates (which are temporary, not permanent) should be used on an interim basis in Massachusetts is unreasonable, arbitrary and should be rejected by the Department.

CONCLUSION

For the above reasons, BA-MA urges the Department to allow its proposed xDSL tariff provisions to take effect on June 4, 2000 and to allow its proposed line sharing tariff

provisions to go into effect for implementation on June 6, 2000, subject to potential tariff modifications resulting from the Department's subsequent investigation.

Respectfully submitted,

NEW ENGLAND TELEPHONE

AND TELEGRAPH COMPANY

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Dated: May 24, 2000